



Signed and Filed: August 23, 2023

Dennis Montali

DENNIS MONTALI
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re)	Bankruptcy Case No. 23-30564-DM
)	
THE ROMAN CATHOLIC ARCHBISHOP)	Chapter 11
OF SAN FRANCISCO,)	
)	Date: August 24, 2023
)	Time: 1:30 PM
Debtor.)	Via Tele/Videoconference
)	www.canb.uscourts.gov/calendars
)	

ORDER REGARDING AUGUST 24, 2023 HEARING ON FIRST DAY MOTIONS

The court has reviewed the seven motions (Dkts. 7 - 13) set on an expedited basis in accord with its usual practice. The following sets forth the court's intentions regarding the hearing on those motions and other matters to be considered.

First, the court welcomes an opening statement from counsel for the Debtor, settling forth briefly relevant background information and expectations for the future conduct of this case. This information should be helpful for the public and parties in interest following the case. Counsel should note, however, that the court has read and appreciates the comprehensive background and overview provided by Mr. Passarello

1 in his Declaration at Dkt. 14 and there is no reason to repeat
2 that Declaration in any detail.

3 If desired, counsel may introduce principal representatives
4 who wish to be identified. The court does not presently expect
5 testimony or comment from them.

6 Next, the court will make a brief statement about its role
7 in this process, and expectations for the future conduct of the
8 case, noting particularly the pendency of the recent similar
9 cases filed and pending in the Oakland Division for the Santa
10 Rosa and Oakland dioceses.

11 Turning to the seven motions, at least three - regarding
12 utilities (Dkt. 8), cash management (Dkt. 9), as supplemented
13 (Dkt. 22) and payment of prepetition wages, salaries, and
14 employee expenses (Dkt. 7) - appear routine as they do in
15 countless other chapter 11 cases of all kinds. Unless there is
16 a substantive objection presented prior to or at the hearing,
17 the court will grant them without any need for discussion.

18 The motion regarding the claims and noticing agent (Dkt.
19 11), while seemingly routine, raises several questions that must
20 be answered before the motion will be granted: (1) why three
21 similar church abuse cases in this District have three different
22 claims agents, when the total anticipated abuse claims in all
23 three appear to be no more than one thousand or so; (2) why
24 should the agent be indemnified in the event of its own simple
25 negligence; (3) why should the court depart from the usual
26 practice of retaining jurisdiction to resolve disputes between
27 the Debtor and the claims agent in favor of binding arbitration;
28 and (4) why should the court approve an open-ended fee schedule

1 with a reasonable estimate of a budget for the next three months
2 and also for a full year, particularly with a \$50,000 evergreen
3 provision in the Engagement Agreement? Counsel should be
4 prepared to address these issues.

5 The other three - continue insurance programs (Dkt. 12),
6 notice procedures, etc. (Dkt. 10) and pay survivors' assistance
7 (Dkt. 13) raise more case-specific questions. The insurance
8 motion appears to be "ordinary course", but does it have any
9 impact on any existing insurance that deals with the abuse
10 claims that have precipitated this case? The notice procedures
11 motion appears appropriate with one exception noted below, but
12 does it differ in any meaningful way from similar motions
13 approved in Santa Rosa or Oakland? If so, why? The exception
14 has to do with the claims bar date. The Debtor's argument for
15 extending it is not convincing, and the traditional deadline in
16 Chapter 11 cases in this district has worked well in the past.
17 The court is not inclined to change that without a more
18 compelling reason; that a more elaborate questionnaire might be
19 required of abuse claimants has little to do with a bar date,
20 particularly when the Debtor already knows the extent of the
21 claims that were timely filed against it before the extended
22 statute of limitations expired.

23 The assistance motion seems to involve payment of only a
24 \$4,000 pre-petition claim, but otherwise appears to be typical
25 and normal going-forward expenses for a case involving past
26 abuses. These three motions and the court's questions should be
27 answered by counsel for the Debtor and other parties are welcome
28 to bring forth any preliminary opposition.

1 Following the disposition of these motions, the court will
2 ask counsel to address such case management issues as whether
3 and when to schedule a Chapter 11 Status Conference; whether to
4 set aside a dedicated date(s) and time(s) for all matters
5 arising in the case or any related adversary proceedings; and
6 anything else that will facilitate the conduct of this case on a
7 cost-effective basis, including when, if at all, the court
8 should schedule live, in person hearings rather than continue
9 remote hearings such as this one.

10 The Bankruptcy Court's website provides information
11 regarding how to arrange an appearance at a video or telephonic
12 hearing. If parties have questions about how to participate in a
13 video or telephonic hearing, they may contact the court by
14 calling 888-821-7606 or by using the Live Chat feature on the
15 Bankruptcy Court's website at <https://www.canb.uscourts.gov/>.

16 **END OF ORDER**

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